



At a Crossroads

The Report of the Board Governance Review Task Force

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This report has been prepared independently by the Board Governance Review Task Force and does not necessarily reflect the views and thoughts of the Government of Alberta.

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October 1, 2007

The Honourable Ed Stelmach, Premier
307 Legislature Building
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Dear Premier Stelmach;

The Board Governance Review Task Force is pleased to present our final report, *At a Crossroads*, which captures our review of the province's agencies, boards and commissions. The report contains our judgments on leading governance practices, including fifteen recommendations that, taken together, provide a blueprint for the future governance of public agencies in Alberta. We have also included a current inventory of the province's agencies.

The number and scope of the Government of Alberta's agencies have grown significantly in recent years. The growth has not been accompanied by a corresponding accountability and transparency framework. As a result, the province is at a crossroads. It must make basic decisions about the role of its agencies, and institutionalize a comprehensive governance framework for its various agencies.

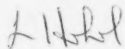
The Task Force makes fifteen recommendations. They are united by three basic themes: agencies should be established only after thorough consideration of whether they are the best vehicle for the task; agencies should have precise mandates and a clear understanding of their relationship with the Government of Alberta; and the appointment of directors should be based on competence.

Thank you for this opportunity to examine Alberta's provincial government agencies. Our motivation was to make recommendations that provide a governance framework that recognizes Alberta's unique needs, establishes a strong basis for the future and stands the test of time.

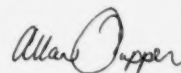
Yours truly,



Neil McCrank, Chair



Linda Hohol



Allan Tupper



Executive Summary

Since the 1980s, the Government of Alberta has increasingly relied on agencies, boards and commissions to regulate and adjudicate, to advise the government, to administer substantial financial or other assets, and to provide important goods and services including health care to Albertans. In 2007, the regional health authorities, post-secondary institutions, the Alberta Energy and Utilities Board and the recently established Alberta Investment Management Corporation (AIMCo), to cite just a few examples, are among the most important public bodies in Alberta. A precise count was difficult; however to the best of its ability, the Task Force has determined that Alberta has 248 agencies. The sheer size of the agency sector, its policy and financial clout and its unique 'arm's length' relationship with the provincial government demand a new approach. Alberta's agencies are now a major component of the Government of Alberta that has unique governance needs, and must be recognized as such. The Task Force urges the Government of Alberta to think carefully about its agencies, to recognize the place they occupy in Alberta's public administration and to institutionalize good governance practices for the sector.

In undertaking its work, the Task Force conducted substantial research, held consultations in Edmonton, Calgary and Medicine Hat, and learned from the experience of other governments. On that basis, the Task Force advances fifteen recommendations that centre around three themes:

- The government should establish agencies only after careful consideration of their appropriateness to the task at hand.
- Agencies must have precise mandates, a clear sense of their relationship to the Government of Alberta and well defined accountability.
- The recruitment, selection and reappointment of agency board directors and board chairs should be based on competence.

The Task Force recommends that the Government of Alberta, as a priority, pass an Alberta Public Agencies Governance Act. That Act would recognize agencies as a major component of the Government of Alberta and establish a governance framework. The Task Force also urges the government to classify its agencies according to the system proposed in this report.

The challenge of effective agency governance is not unique to Alberta. It is an issue throughout Canada and across democratic countries. In every jurisdiction, the challenge is to balance agencies' needs for autonomy with governments' obligations to provide direction and to be accountable. No simple blueprint presents itself. That said, the Task Force concludes that clear mandates and well understood roles are essential to effective agency governance. We are emphatic about this matter and note it throughout our report.

The Task Force concludes that competent, knowledgeable board directors are, like clear mandates, essential to good agency governance. The Task Force makes a number of recommendations to that end. Among other things, agency board directors must be selected according to competence. They must also be subject to evaluation, and operate with defined terms of office.





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At a Crossroads



At a Crossroads

In March 2007, Premier Ed Stelmach established a Board Governance Review Task Force to make recommendations on improving the transparency, accountability and governance of the Government of Alberta's agencies, boards and commissions. The Task Force members, Neil McCrank (Chair), Linda Hohol and Allan Tupper, were asked to develop an inventory of these agencies, to consult widely and to submit their findings and recommendations to the Premier by the end of September 2007¹.

In undertaking its work, the Task Force learned many things. It learned a great deal about the diversity of Alberta's agencies, boards and commissions. It also learned about the complexities of agency governance and about the central importance of appointing competent persons to agency boards of directors. Above all else, the Task Force learned that agencies, boards and commissions are now a major part of the Government of Alberta. Collectively, they comprise a substantial government sector that has wide-ranging public policy impact, considerable importance to the provincial treasury and direct impacts on citizens. The last point is a particularly significant one for the Task Force. The quality of agency governance, the integrity of agency directors and the relationship between agencies and the government are issues with major consequences for *every* Albertan².

Consider the following examples. Every Albertan needs access to health care. In a basic way, the quality of health care in Alberta is directly related to the effectiveness of regional health authorities, the most visible provincial government agencies. By the same token, post secondary education is fundamentally important to Alberta's social, cultural and economic future. The economic well-being of almost every Albertan is shaped by the Alberta Energy and Utilities Board, whose decisions have profound impacts on resource development. ATB Financial, meanwhile, provides banking services to Albertans across the province, and has a net annual income of over \$270 million. The Task Force could go on endlessly with such examples, but the point is clear. Every corner of Alberta, every industry and farm and every

¹ The Task Force Terms of Reference can be found in Appendix E.

² A separate report entitled *What We Heard* was released in August 2007 and outlines the issues raised with the Task Force during its face to face consultations with Alberta's agencies. It builds on a Discussion Document which was released in May 2007.



family and individual is shaped by decisions of agencies, boards and commissions. Agency governance is a major issue for all Albertans.

In undertaking its work the Task Force soon realized that agencies, boards and commissions had quickly become a major sector of the Alberta government. In fact, we concluded that a 'quiet revolution' has occurred in the Alberta government over the last twenty years. Agencies, boards and commissions are carrying out more and more government activity.

In the Task Force's view, the status quo of agency governance requires substantial improvement to meet the needs of the twenty-first century.

In 2007, the shift to 'government by agency' is entrenched in Alberta and in other Canadian provinces. This fact led the Task Force to another conclusion: the Government of Alberta is at a crossroads with regard to its agencies, boards and commissions. In the Task Force's view, the *status quo* of agency governance requires substantial improvement to meet the needs of the twenty-first century. Fundamental decisions must be taken about governance, about agencies' overall place in the machinery of the provincial government and about the future of agencies as instruments of service delivery and policy development.

Our report provides the Government of Alberta with a coherent set of recommendations about agency governance in Alberta. The Task Force believes the recommendations provide a framework for decision-making that recognizes the importance of agencies, that establishes agencies' unique character as governing instruments and that has practical merit.

The balance of this report presents our findings and recommendations. The first section outlines the case for a major piece of provincial legislation that establishes a governance framework for Alberta's agencies, boards and commissions. This legislation would be a decisive statement by the Government of Alberta about the importance of provincial agencies as a major sector of the provincial government. The second section outlines a new classification system for provincial agencies that groups them into five distinct categories that are unique to Alberta's situation. The third section confronts a major issue – how can the legitimate need for agency freedom of action in defined spheres be reconciled with the equally legitimate need for provincial government oversight and policy guidance? The fourth section examines the governance of the agencies, boards and commissions. Among other things, it stresses the importance of competence-based appointments and the need for strong ethics policies in agencies.



A New Foundation

The quality of agency governance, the integrity of agency directors and the relationship between agencies and the government are issues with major consequences for every Albertan.



I: A New Foundation: The Alberta Public Agencies Governance Act

When Albertans look at the provincial government, they see government departments like Health and Wellness, Energy and Education. They also see Cabinet ministers at the head of these departments who assume responsibility for the actions of departments. When Albertans look at the provincial government, they see (and interact with) public servants who have been recruited through a merit system and who work under a service-wide code of conduct. However, as has been argued above, this picture is incomplete and out of date. Over the last 20 years, the provincial government has been transformed by a proliferation of agencies, boards and commissions. Remarkably, about 50 percent of the Government of Alberta's annual operating expenditures are now administered through the province's agencies, boards and commissions. In addition, some of these agencies are responsible for considerable assets and liabilities. The agencies under the Ministry of Finance, for example, will be responsible for approximately \$100 billion in assets and deposit guarantees in the next fiscal year.

Alberta's agencies, boards and commissions have more freedom from government supervision, sometimes considerably more freedom, than do government departments. Agencies are seldom subject to the same level of public and legislative scrutiny as government departments. Nor do they employ a consistent approach to recruitment or conflicts of interest. Moreover, agencies, unlike government departments, are generally run by boards of directors appointed by the government. In essence, board directors are akin to volunteers. Agencies now provide public services that citizens see as among the most important services provided by government.³

Agencies now provide many of the key public services that citizens consider to be the work of government.

³ Throughout the report, the Task Force uses certain terms in a specific manner. The term agency is defined by the Task Force in Section II as a broad term that encompasses all of the province's agencies, boards, commissions, committees, tribunals, etc. Where the agency's governing and operating functions are separate, the term "board" refers to the agency's governing body. "Director" refers to all persons who are appointed to agencies to act in a governing role, such as trustees, commissioners, governors, members etc.

The Government of Alberta's heavy reliance on agencies, boards and commissions is reflected in their number. To the best of its ability, the Task Force has concluded that Alberta has 248 agencies. The sheer size of the agency sector, its policy and financial clout and its unique 'arm's length' relationship with the provincial government demand a new approach.⁴

How can the Government of Alberta decisively acknowledge the importance of its agencies, boards and commissions? The Task Force has a clear answer: the Government of Alberta should pass a major piece of legislation, the Alberta Public Agencies Governance Act, that acknowledges the essential importance of agencies and institutionalizes governance frameworks and standards for provincial agencies, boards and commissions.

Alberta Public Agencies Governance Act:

Recommendation 1

The Government of Alberta should recognize the importance of agencies by passing, as a priority, an Alberta Public Agencies Governance Act. Such an act would institutionalize a governance framework for agencies that provides for clear agency mandates and a competence-based appointment process.

At a minimum, the Alberta Public Agencies Governance Act will:

- Establish the unique characteristics of the Alberta government's agencies and outline their relationship with the Government of Alberta
- Insist on competence-based appointments with specified terms for all board directors and appointees
- Define processes for creating, reviewing and dissolving agencies
- Outline conflicts of interest and ethics guidelines for agency board directors
- Require that all agencies have clear, well-communicated mandates.

⁴ See Section II for the details on the inventory.

Establishing Provincial Agencies, Boards and Commissions: A New Approach

Early in its work, the Task Force concluded that there is not always a transparent and rigorous review of agencies before they are approved by Cabinet. The absence of a consistent, thorough and transparent review process prior to agency approval greatly concerns the Task Force. Agencies, boards and commissions are unique government organizations, in that they have greater autonomy in their daily activities than do government departments. However, the Task Force's research repeatedly showed that governments throughout the world constantly struggle with the challenge of allowing agencies freedom of action while ensuring that agencies also reflect government priorities, policies and practices. In other words, agencies, boards and commissions are easy to establish but very hard to administer properly. They should be used cautiously, with due reflection.

When the establishment of an agency is being considered, particular attention should be paid to why the agency is being established and whether this includes a strong, valid reason for it to operate with some level of autonomy from the responsible ministry. This might include, for example, a need for independent advice or outside expertise, autonomous decision-making that promotes credibility and public confidence, stewardship of funds or other assets, or locating delivery mechanisms within communities.

As an imperative, the Task Force recommends that the Government of Alberta institutionalize a more rigorous process for establishing agencies, boards and commissions.

Agency Establishment Processes:

Recommendation 2

The Government of Alberta should establish a more rigorous process for the establishment of agencies, boards and commissions.

The Task Force believes that a demanding process for agency establishment would include at least the following elements:

- A precise rationale and strong business case for employing an agency, in a form that justifies the particular need for autonomy
- If such a case can be established, a clear presentation of the agency's mandate and relationship with the Government of Alberta is required
- A precise statement about standards for agency performance and criteria for evaluating that performance
- Text of proposed enabling legislation.

Taking Stock

The Government of Alberta should maintain an inventory that is accurate and comprehensive as a prerequisite to determining whether agencies are effective and still relevant.



II: Taking Stock:

The Number, Scope and Characteristics of Government of Alberta Agencies

As a starting point in its work, the Task Force examined several existing lists and inventories of Government of Alberta agencies, boards and commissions. It found nine such lists, all of which were developed for different purposes, employed different definitions and yielded a different number of Government of Alberta agencies. For example, the Task Force studied the list of 'significant' agencies that was prepared by the Government of Alberta in response to the 2001 Review of Agencies, Boards and Commissions and Delegated Administration Organizations (the Renner Report). In that case, the Task Force concluded that the term 'significant' had been applied inconsistently and that, in practice, a number of noteworthy agencies were omitted.

Early in its deliberations, the Task Force decided that prior to recommending a renewed governance framework for provincial agencies, three major steps were required. First, a coherent working definition of agency was needed. Second, Alberta's agencies should be grouped into broad categories that, while recognizing their diversity, acknowledge their important common characteristics. Third, with those pieces in place, the Government would be able to develop an accurate inventory of its agencies, boards and commissions.

A New Definition of Agency

After considering the range of organizations that operate at 'arm's length' from government, the Task Force proposes the term 'agency' to capture those entities of the Government of Alberta with the following characteristics:

An agency is an organization (which may also be called a board, commission, committee, tribunal, corporation, etc.) that:

- Is established by the Government of Alberta but is not part of a government department
- Has been given responsibility to perform a public function
- Is accountable to government through a defined reporting relationship, recognizing the need for quasi-judicial independence in some agencies' decision-making

- Has some degree of autonomy from government as compared with a government department
- Has some government involvement in appointments.

The Task Force believes that an agency must exhibit the five characteristics outlined above. Moreover, when establishing a new organization, the Government of Alberta should consider whether the public activity in question is best administered by an agency as defined in this report.

The Task Force's definition of agency, after careful consultation with provincial government departments, yields a list of 248 agencies.⁵

The Need for an Agency Inventory

As noted, the Government of Alberta currently lacks a precise inventory of its agencies. The absence of such an inventory impedes informed decision-making about agency governance, oversight and accountability. An accurate inventory is a prerequisite in determining whether agencies are effective and still relevant.

Recommendation 3

Agency Inventory:

The Government of Alberta should establish and maintain an Agency Inventory. The inventory should be reviewed regularly to ensure that agency mandates are relevant and that agencies continue to perform effectively the public function for which they were established.

To ensure the agency inventory is an effective tool, the government will have to ensure it is reviewed regularly to confirm its accuracy. As part of this review, the government must determine whether agencies are continuing to meet their mandates and whether the mandates are still relevant.

⁵ The definition proposed by the Task Force does not apply to Legislative Offices such as the Ethics Commissioner or the Auditor General. Elected boards such as School Boards were outside the mandate of the Task Force and are not included in the definition of agency. Short term task forces formed to address a specific issue, Royal Commissions and other inquiry entities are also excluded. While these are excluded from the agency definition, the Task Force nonetheless believes that the recommendations may be valuable to these groups and urges them to consider the report carefully.

Government of Alberta Agencies: A Classification

Throughout its consultations and research, the Task Force was impressed by the number and variety of Government of Alberta agencies. The Task Force also observed that, while diverse, many agencies had particular characteristics and roles that allowed them to be organized into five broad categories or 'families'. To this end, the Task Force recommends that the Government of Alberta adopt the classification system recommended here. Once in place, the classification system will allow the Government to establish governance regimes that respect both the common and unique characteristics of agencies, tailor good governance recommendations and shape government-agency relationships.

At present, the Government of Alberta and other Canadian governments employ different agency classification schemes that are based on different criteria. After careful review, the Task Force concluded that the best basis for agency classification was a 'functional' one, that is, a classification based on what agencies do.

Classification:

The Government of Alberta should adopt a functional classification system of agencies with five broad groups:

Recommendation 4

- regulatory/adjudicative agencies
- public trusts
- corporate enterprises
- service delivery agencies
- advisory agencies.

The Task Force's classification system captures the range and diversity of Alberta's agencies and, when employed, should make the government's work easier. An important point arises. The classification of a particular agency should depend on its primary purpose. For example, the **primary** purpose of the Alberta Order of Excellence Council is to advise a minister. As such, it is clearly an advisory agency. On the other hand, an agency such as the Natural Resources Conservation Board (NRCB), for example, may also provide advice to a minister. However, its **primary** purpose is to review project proposals for, and to regulate, Alberta's confined feeding operations. As such, the NRCB is placed in the regulatory/adjudicative category.

The following chart shows the Task Force's proposed classification system, notes characteristics of each broad group and provides examples.

Type of Agency	Description	Examples
Regulatory/Adjudicative Agencies	■ Regulatory agencies license, make rules and/or oversee a sector ■ Adjudicative agencies make independent, quasi-judicial decisions ■ Some agencies may perform both regulatory and adjudicative functions	■ Safety Codes Council ■ Métis Settlements Appeals Tribunal ■ Alberta Securities Commission
Public Trusts	■ Administer provincial financial and/or other assets in the public interest	■ Alberta Investment Management Corporation (AIMCo) ■ Alberta Foundation for the Arts
Corporate Enterprises	■ Provide or sell goods or services to the public in a commercial manner	■ ATB Financial ■ Agriculture Finance Services Corporation
Service Delivery Agencies	■ Provide and/or direct government services	■ Calgary Health Region ■ North Central Child and Family Services Authority ■ University of Lethbridge Board of Governors
Advisory Agencies	■ Provide advice to government	■ Seniors Advisory Council for Alberta ■ Alberta Order of Excellence Council

Developing an Inventory

In the preceding pages, the Task Force recommended that the Government of Alberta establish an inventory of its agencies and that the Task Force's proposed agency classification system be used as the foundation for the inventory. Appendix B of this report presents such an inventory. It yields a list of 248 provincial agencies.

In designing an effective inventory, the government will likely want to add such information as the date an agency was created, the date of its last review, the date of any 'sunset' provision and, if applicable, cross-reference to other government lists on which the agency appears (e.g. *Financial Administration Act*). Such basic information, clearly displayed and easily accessible, will assist the government when it reviews its agencies for effectiveness and continuing relevance.

Roles, Responsibilities and Accountability

Clear roles, responsibilities and mandates are the foundation of effective agency-government relations.



III: Roles, Responsibilities and Accountability

To this point, the Task Force report has done two major things. The first section establishes a guiding philosophy and proposes a major piece of legislation, the *Alberta Public Agencies Governance Act*, that recognizes the important role of agencies in the Government of Alberta. The second section deals with three important issues - defining agencies, establishing an up-to-date inventory, and outlining a classification system that respects agency diversity and recognizes common denominators.

This section builds on the previous two. It focuses on a fundamental issue - the relationship between agencies and the Government of Alberta. The principle of individual ministerial responsibility is at the core of constitutional government in Alberta. Among other things, ministerial responsibility establishes ministers as spokespersons for their departments before the Legislative Assembly, where they must answer about their department's performance including errors of omission and commission.

Agencies add complexity to democratic government. They differ from government departments in important ways. By their very nature, agencies require some degree of autonomy from government to perform their tasks. However, there must be a measure of accountability, as ultimately the government is responsible and answerable for the actions of its agencies.

In practice, governments in Alberta, in other parts of Canada and indeed throughout the democratic world, constantly manage tensions between agency autonomy and government responsibility and accountability. This problem is particularly complex when one considers the 'real world' of agency governance. Provincial government agencies operate in a dynamic policy environment that involves Members of the Legislative Assembly (MLAs), ministers, deputy ministers, senior agency personnel, and, again in the 'real world', media, stakeholders and the tax paying public. These different persons

Agencies add complexity to democratic government.

interact in complex ways. That said, successful governance requires defined lines of authority, responsibility and accountability. The diagram below represents a clear interpretation of governance and accountability.



The Task Force approaches the issue of agency-government relations with caution and humility. For decades, governments have sought a panacea, a single structure or blueprint that, once and for all, clarifies the relationships between agencies and other political institutions. The Task Force recognizes that neither perfection nor a simple, tidy world is easily attained in democratic government, which is complex. That said, the Task Force believes that the roles and responsibilities of agencies and the government must be determined precisely. In every instance, agencies must have clear mandates that specify their roles, activities and relations with the Government of Alberta.

The Task Force recognizes, however, that there are many supporting channels of communication beyond the lines of accountability and responsibility outlined in the diagram. The deputy minister, for example, plays an important role in many agencies' interaction with government. However, this should not diminish the line of accountability between the ministers and the chairs of the agencies.

Clear Roles, Responsibilities and Mandates: The Foundations of Effective Agency-Government Relations

Agencies are unique government organizations that require considerable care and attention if they are to achieve their potential. The Task Force believes that clear statements about roles and responsibilities and precise statements of agency mandates are **prerequisites** to good governance. Precise roles and mandates do not, by themselves, generate perfect results. But without them, effective agency governance is impossible to achieve. The Task Force believes that agencies should be established by legislation, as guided by the *Alberta Public Agency Governance Act*, one of our key recommendations. Legislation should outline an agency's powers, responsibilities and accountability obligations.

In addition to such legislation, the Task Force recommends that agencies, without exception, must have clear mandate documents that describe, clearly and in detail, the agencies' purposes, powers and roles. Mandate and roles should be outlined in a 'mandate document' that is shaped by on-going discussions between agencies (usually through the agency board chair) and the responsible minister through well-established procedures.

The Task Force believes that clear statements about roles, responsibilities and mandates are prerequisites to good governance.

Roles and Responsibilities:

Recommendation 5

The Government of Alberta should ensure that the mandates, roles and responsibilities of the government and its agencies are clearly understood.

Mandate and role documents will vary with each agency according to its particular needs. To accommodate changing circumstances and to support clear communication, mandate documents must be reaffirmed annually and reviewed systematically at least every three years. Annual reaffirmations and triennial reviews will remind the signatories of their responsibilities and inform and orient newcomers. Mandate documents can also contribute to continuity when senior agency and government personnel change.

Mandate documents are not meant to be heavy-handed instruments of government control. They should be seen as opportunities for helpful dialogue and ensuring responsiveness to change.

Throughout the consultations, agencies told Task Force members that they would benefit from more opportunities to meet with ministers to discuss government expectations and possible changes in direction. The Task Force thinks that more and better informal interactions between ministers and agencies are in the public interest and would be mutually beneficial.

Government Representation on Agency Boards

Some Government of Alberta agencies have government representatives including MLAs, deputy ministers and other senior government officials as voting, non-voting or ex-officio directors. An example is the Alberta Research Council whose board is chaired by an MLA. Good reasons may exist for this practice. However, the Task Force believes that the presence of government representatives on agency boards challenges the agencies' autonomy. It undermines the core governance principle that all board directors must work together in the *best interest of the agency*. Government representatives on agency boards create some specific and significant problems.

First, a potential conflict exists in the roles of government representatives. Government representatives sit on boards, not as a source of control or direction from the minister or government, but with the same statutory obligations as any other director. An elected official or deputy minister must therefore distinguish between his or her role as representative of the government and director of an agency.

Second, government representatives on agency boards undermine the important role of the board chair as the primary interface with the government. The board chair's authority may be circumvented in ways that could harm the agency, especially when the government representative is viewed as having a 'super voice'. Boards certainly require access to government decision makers, but that need should not be met by placing government officials, either elected or appointed, on boards.

MLAs and deputy ministers are important to the success of agencies, but this is achieved through communications and review of agency reports, rather than through their appointments as directors.

Government Representation on Boards:

Recommendation 6

The Government of Alberta should not appoint elected or senior government officials to the governing bodies of agencies.

This recommendation will have important consequences for agencies with government representatives on their boards. The Task Force recognizes that an appropriate transitional period will be required.



Adopting Leading Governance Practices

In order to maximize their performance, all agencies should follow the elements of good governance.



IV: Adopting Leading Governance Practices

Good governance is the key to making about 250 different relationships between agencies and the provincial government work. With an accepted model for governance in place, agencies will be able to clearly demonstrate accountability for results and to ensure their recruitment follows certain accepted practices, that their people adhere to a code of ethics and that they understand their relationship with the government and the public.

Governance refers to the processes used to structure and oversee provincial agencies so that they can achieve their mandates effectively. Governance is concerned with people, structures and procedures for decision-making, accountability, control and codes of conduct. It is expressed through legislation, policies, by-laws and relationships.

All provincial agencies need to understand and follow the elements of good governance articulated in this section to maximize their performance. The recommendations that follow build on the excellent suggestions in the Renner Report and the Auditor General's 2005 report, but they have not been implemented across all agencies. The Task Force feels very strongly that the time has come to recognize the importance of agencies by instituting good governance practices and to take the steps necessary to ensure this sector continues to make an effective contribution to public policy in Alberta.

Recruitment and Appointment

Agencies are run by people, not processes. Making sure the best people are appointed to agency boards is absolutely critical to ensuring that good governance happens. Board appointments cannot be left to chance when the work of agencies is such an important part of how government provides services to the public.

The Auditor General's 2005 *Report on the Recruiting, Evaluating and Training Processes for Boards of Directors in the Alberta Public Sector* outlined key issues in recruitment and appointment. It recognized that "good governance can only occur if capable and well-motivated individuals are appointed as chairs and directors" and that recruitment systems need to "result in boards that have the balance of skills and abilities to govern."

Following this report, the Government of Alberta established an agency appointment process to address the Auditor General's concerns. The Corporate Human Resources directive (2006) *Recruitment to Agencies, Boards, and Commissions*

Agencies are run by
people, not processes.

describes the process for staffing senior and executive level positions in 'significant' agencies and contains a number of key elements of a competence-based recruitment and selection process. While the Task Force believes that the process itself is effective, it has not been used consistently across all of the province's agencies.

Recruiting good people to agencies through a timely, transparent and competence-based process will help increase public confidence in agencies and reinforce the government's commitment to good governance.

Appointments:

Recommendation 7

The Government of Alberta should use a transparent, non-partisan and competence-based appointment process for the appointment of directors to agencies.

Based on what the Task Force learned through its consultations, the Task Force suggests the following practices for agency board appointments:

Transparency and Openness: The appointment process is open, transparent and communicated to stakeholders. Specific openings are advertised publicly and reasonable steps are taken to reach a large number of diverse and eligible candidates. Appointments are announced publicly.

Competence: Selection is based on finding people with the necessary competencies in order to implement good governance practices and meet the agency's mandate.

Consistency: The appointment process is applied consistently for all directors appointed to agencies by the government.

Diversity: The appointment process recognizes the importance of reflecting the diversity of Alberta in the composition of agency boards.

Timeliness: In recognition of the important work of agency boards, recruitment and appointment of directors takes place in a timely manner.

Agency Engagement: The agency board helps identify the needs of the agency, and reviews and recommends candidates. While the minister (or Cabinet) is ultimately responsible for appointing agency directors, this must be balanced against the fact that the existing directors generally know the skills and qualities the board requires.

Elements of a Competence-Based Appointment Process

These practices need to be translated into recruitment and appointment processes that can be used for all board appointments, that respect the government's role in finalizing appointments, and which have enough flexibility to meet the needs of agencies. The Task Force recommends a process with a clear focus on competence which can be tailored to individual agency circumstances. Some agencies have already put such a process in place, but others will need to refine their approach to recruitment and appointment. In all cases, the appointment process should be set out clearly and publicly, and be noted in the agency's mandate and role document.

The Task Force suggests that every agency should use the following elements of an effective appointment process:

- Each agency should have a **matrix** outlining the skills and knowledge required for the board as a whole and how each director contributes to meeting these needs. When vacancies arise, the matrix will allow the board to identify the competencies on which the recruitment process should focus. The matrix should be developed by the board and endorsed by the minister.
- **Vacancies should be anticipated** so that recruitment and appointments can be completed in a timely manner.
- Effort should be made to develop a **pool of potential candidates** in order to facilitate recruitment, especially to lesser-known boards and those located in rural and remote areas. The agency has a role to play in this, as does the minister, but both could be assisted by a broad government-wide effort to identify potential candidates.
- **Vacancies should be posted publicly** and effort should be made to reach a diverse group of potential candidates through newspaper advertisements, the Government of Alberta website, professional recruiters or inviting recommendations from local MLAs.
- The process should also identify who will **review the applications**, develop the list of interviewees, conduct the interviews, and determine the top candidates. It should detail at what point candidates will be required to undergo criminal, conflict of interest and financial screening (where applicable). The participants in this process will vary from agency to agency. In some instances, the process will be largely carried out by the agency. In others, the government will play a larger role. This part of the recruitment process should be set out in the mandate and role documents of each agency (see Recommendation 5) and should also be made available to the public.
- A **recommendation** will be submitted to the minister on the top candidates. The minister makes the final decision from this recommendation, obtains any final approvals (e.g. Cabinet approval) and then announces the **appointment** publicly in a timely manner.

The role of the board chair is critical to effective governance.

The role of the board chair is critical to effective governance, and it is especially important that recruitment to this position aligns the needs of the agency with those of the minister. Given the outgoing chair's experience in building relationships with the government, his or her advice on recruitment for a successor should be considered by the minister whenever practical.

Diversity of Appointments

In the course of its consultations, the Task Force heard concerns, not just about the recruitment *process*, but also about the *composition* of Alberta's agencies, boards and commissions. Three issues stand out. First, agencies operating in rural areas face considerable recruitment problems. Sometimes distance is the obstacle. More often, boards in rural areas simply have a smaller pool of potential directors. This serious problem requires careful consideration and effective response from the Government of Alberta. Second, for right or wrong, agencies that are seen to be 'prestigious', high profile, or simply doing interesting work have an easier time recruiting than agencies that lack high profile. The public universities, for example, were frequently mentioned as boards that seem to have an abundance of good candidates. No easy solution presents itself to this problem; perceptions of what is important are not easily or quickly changed. That said, all agencies require excellent board directors, not just the 'high profile' ones or currently 'important' ones.

The Government of Alberta must find ways to promote board membership, to increase public awareness of the opportunities available and to actively recruit excellent persons throughout Alberta. When a larger pool is created, attention should be paid to the challenges faced in rural areas and by agencies that lack high profile.

The third concern is a more fundamental one. Alberta's population is becoming steadily more diverse. This situation is likely to accelerate. The province is, and has always been, a diverse society. Its ethnic and religious composition continues to change. Alberta is also a comparatively young society when compared with some European countries and several Canadian provinces. Young people should be encouraged and sought out in public service roles. Equally, the gender balance in agencies is a significant issue.

Throughout its report, the Task Force has stressed the importance of agencies to Alberta's good governance. Agencies are now a central part of public decision-making in Alberta. As such, their composition should reflect Alberta's overall regional, gender, ethnic and racial composition. Albertans should 'see themselves' when they deal with an agency.

Some jurisdictions now insist that their agencies have boards with equal representation of men and women. While not advocating this approach, the

Task Force urges the Government of Alberta to consider seriously the province's diversity when making appointments.

Diversity of Appointments:

Recommendation 8

The appointment process to agencies should recognize the diversity of Alberta's population and as a priority undertake active recruitment to this end.

Term of Office

Agencies are best governed with a mixture of seasoned directors who have served on the board for several years and new directors who bring a fresh perspective and commitment to their posts. This balance can be achieved by using fixed terms of office to limit the length of a director's service on a board.

While recognizing that the ideal term length depends on the type of agency and its mandate, the Task Force supports either two terms of three years, or one term of three years followed by one term of four years. Renewal of a director's appointment for a second term must be conditional on performance and at the discretion of the minister based upon the Chair's recommendation. At the end of their two terms, individuals must wait for a set period before being able to re-apply for appointment to the same agency. An exception would be made if an existing director is appointed as Chair: he or she may 'restart' their term limit in order to allow for two consecutive terms as Chair. In any case, the total years of consecutive service should be limited to ten years.

Fixed Terms:

Recommendation 9

Agencies should have fixed terms of office for their directors which may be renewed based on performance to a maximum of ten consecutive years.

The minister should be responsible for ensuring that fixed terms are put into practice through his or her role in the appointment process. Term limits should be clearly stated and, where they are not mentioned in the agency's enabling documents, they should be set out in the mandate and role document identified in Recommendation 5. Where practical, the minister should consult with the agency to determine how term limits are configured. In all cases, term limits for appointees should be staggered to ensure that not more than one-third of the board changes at any one time.

Representative Boards

Some agencies are governed by representative boards; that is, the boards themselves are made up of directors who represent particular interests. In these cases, some directors may have terms that correspond with the internal processes of the groups they represent. The value of having terms reflect the internal processes of the represented groups needs to be weighed against the challenges of having different rules apply to different directors. In all instances, provincially appointed directors should still be subject to the recommended term limit rules.

In the course of the consultations, the Task Force heard from some stakeholders that issues similar to those outlined in the earlier discussion of Government Representation on Agency Boards could arise in representative boards. When boards have directors who represent various stakeholders (e.g. post-secondary institution boards), those individuals may feel that they are in a conflict situation. Those individuals must understand they have the same statutory obligations to the agency as any other director. This situation requires a strong, skilled chair as well as each board director's acceptance that while their role includes bringing a certain perspective to the table, they are also obliged to work on behalf of the agency and support agency directions. In situations where legislation requires representative boards, it would be helpful for the board to clarify the role of these individual directors in writing and have it acknowledged.

Removal of Board Directors

Current standard practice is that directors may be reappointed based on performance, but they may not be removed prior to the end of a term unless they have contravened the agency's code of conduct or conflict of interest policies, or have been found guilty of a crime. This protects directors from arbitrary removal and enhances the ability of boards to carry out their duties. A minister may, however, dissolve the entire board and appoint an entirely new set of directors. In some instances legislation establishes that single directors may be removed by Order in Council. The Task Force believes that current practices strike an adequate balance between enabling the government's oversight role and protecting directors against arbitrary removal.

Orientation and Education

As this report has repeatedly stressed, effective agency governance is a complex process. Accordingly, participants in agency governance - ministers, deputy ministers, board directors and senior agency personnel to cite the obvious ones - must be well informed about particular agencies, about their roles and responsibilities and about their overall place in the Government of Alberta.

To this end, the Task Force believes that high quality, continuing orientation and education are essential to effective agency governance.

Orientation and Education:

Recommendation 10

The Government of Alberta should ensure that those involved in agency governance have access to high quality orientation and development programs. Such programs will emphasize the unique characteristics of effective agency governance in the public sector.

The Task Force recommends that orientation and education for those involved in the governance of Alberta's agencies should include, but not be limited to, the following areas:

- *Orientation:* The government must ensure effective orientation for agency appointees and, more broadly, general orientation to agency governance for relevant officials, both elected and appointed, of the Government of Alberta. This orientation must cover the distinctive characteristics of agency governance in the Alberta public sector. As a priority, orientations should also examine best practices in 'for profit' governance and the best practices of other governments. Orientations must locate these general themes in the particular contexts of each agency.
- *On-going Learning:* Agencies should provide on-going learning opportunities for board directors and senior personnel to ensure that key personnel have access to current knowledge. On-going learning programs will cover a range of skills including financial management, communications and planning.

Code of Conduct and Ethics

Directors of agencies are judged by the same standards as politicians and public servants. The Government of Alberta has codes of conduct and ethics for all its employees and elected officials. In addition, certain agency chairs and directors now fall under the jurisdiction of the Ethics Commissioner. Otherwise, throughout the consultation process the Task Force observed unevenness and inconsistencies in the quality and coverage of agency codes of conduct. The Task Force also noted that publicly-traded private sector boards are typically required to adopt a written code of business conduct and ethics, including conflict of interest disclosure, that is applicable to all directors, officers and employees. In addition, the private sector and many, but not all, government agencies have 'safe disclosure' policies that allow boards to receive appropriate information and complaints from employees regarding breaches of the code.

The Task Force believes that the development and implementation of such codes of conduct and ethics are essential elements of good agency governance.

Recommendation II

Code of Conduct and Ethics:

Each agency should have an appropriate code of conduct, including conflict of interest disclosure, for all directors. Directors should also ensure that there are appropriate codes of conduct, conflict of interest disclosure practices and safe disclosure practices for agency staff.

An appropriate code of conduct will include disclosure of any real or perceived conflicts. The existing *Code of Conduct and Ethics* used by the government should be used as a starting point for agency codes, recognizing that it will need to be tailored to meet specific agency circumstances. Agencies should also ensure that they have safe disclosure practices enshrined in their codes. Agencies may need some guidance in preparing these documents and the government should ensure key elements relevant to specific agencies are included.

An agency's legislation may also specify that certain positions fall under the jurisdiction of the Ethics Commissioner. Placing positions under the jurisdiction of the Ethics Commissioner should be given particular consideration for appointees to large commercial, trust or adjudicative agencies. Otherwise, the board monitors compliance. The codes of conduct and ethics of agencies should be reviewed and signed off annually by all directors and employees.

In a case of conflict over interpretation or suspicion of a serious breach, an outside party such as the Ethics Commissioner, Auditor General or a special committee of

the legislature should be engaged. If a breach is confirmed, the responsible minister should be informed.

Codes of conduct and ethics policies for all agencies will ensure the public can have confidence that all agencies are held to the same high standards as government employees and elected officials.

The CEO: Appointment and Role

During the consultations, the Task Force heard that the most common – and generally, preferred – organizational model for agencies has the CEO/President responsible for the management of the agency's day to day operations ("fingers in"). This role is separate from that of the governing body, the Board, which is responsible for oversight ("nose in, fingers out"). The separation of these roles is best because it avoids the inherent conflict that exists when the two roles are combined (how can the same person oversee himself?). In addition, the delegation of roles and consequent accountabilities are clean and clear to all.

The CEO needs to be hired by and report to the board.

There may be circumstances where this model may not be the best option. Examples would be agencies that are very small in size, perhaps with no staff and limited budgets and responsibility. In these cases, it is more efficient to combine the roles. Other agencies may have regulatory or quasi-judicial roles. Still others may not have a separate organizational or management structure and the board achieves the agency mandate on its own.

While the government may have legitimate reasons to not separate the roles, it should be a well considered decision that meets the test of good governance.

In addition, there are fundamental legal requirements and basic oversight functions that most of the province's agencies must meet, no matter what their configuration. Examples would be in the areas of financial and human resource responsibilities. Each agency must clearly establish who is responsible for carrying out the work of the organization, and who is responsible for providing oversight in these critical areas.

As has been stated throughout this document, the Task Force believes the Government of Alberta must give the agency the authority to fulfill its mandate and hold it accountable for results achieved. Where agencies have CEOs (or equivalent positions), this position is key to implementing board decisions and hence to achieving results. The CEO needs to be hired by, and report to, the board.

Evaluations

At a minimum, most agencies are required to produce business plans and annual reports that outline goals and performance measures. They also typically produce annual budgets, performance measures and financial results. In most cases, these plans are approved or received by the minister and the results are made publicly available. Such corporate plans, measurements and disclosure are the cornerstones of an effective control and accountability framework.

While the idea of monitoring and evaluating the performance of agencies in the public sector is well established, the use of board and director evaluations is not. However, board, board committees and directors of publicly-traded private sector companies are typically expected to assess their collective effectiveness as well as the effectiveness and contribution of each board director. Such assessments consider boards' written mandates, committee charters and the competencies and skills of each director. Such assessments help boards identify opportunities to improve their practices or identify skills and abilities that need to be added.

Evaluations:

Recommendation 12

In addition to overall agency evaluation, all agencies should carry out evaluations related to board and director performance.

Agency evaluations: As noted above, agencies typically develop business plans, performance measures and annual reports. The format, timing and disclosure of these documents should be set out in each agency's roles and mandate document. These elements help the board, the minister and the public assess how the agency is doing, hold the agency to account for how it has exercised the authorities given to it, and determine whether or not it is achieving its mandate.

Board evaluations: In addition to the usual elements of evaluation one would see in the private sector, such as satisfaction with board meetings, strategic planning, etc., the Task Force recommends that agency board evaluations should include the board's relationship with the responsible minister and other relevant government individuals or officers, as well as the board's understanding of the government's intended strategic directions for the corporation.

Director evaluations: Director evaluations should assess the directors' attendance record, preparedness and overall contribution. The results should be considered as part of the assessment of the director's suitability for reappointment and as an opportunity to further improve through additional development and training. The chair should be also be assessed by the board on his or her effectiveness as chair.

In addition, the minister should evaluate the performance of the chair on an annual basis.

During the Task Force consultations, some agencies indicated that they could use support from the government in implementing good evaluation processes.

Remuneration

The Task Force discovered that remuneration for directors varies significantly across agencies. This is not surprising given that the agencies vary widely in their complexity, financial impact, roles and the time commitment required of directors. However, there appears to be no common, transparent or consistent rationale for observed differences in remuneration. It was also noted that serving as a director of an agency is seen, in part, as a public service. Directors of agencies do not receive shares or other direct financial incentives to align their interests with those of the agency. They are also paid substantially less than private sector directors. The Task Force does not suggest that remuneration should be equivalent to the private sector levels. It does believe, however, that directors of agencies must be remunerated adequately to ensure the Government of Alberta attracts competent, committed and diverse people to its boards.

Remuneration:

Recommendation 13

The Government of Alberta should establish an appropriate, fair and transparent remuneration policy, that attracts diverse and talented people. Remuneration of directors and CEOs should be disclosed to the public.

The remuneration policy will require the use of several categories to reflect the different functions of agencies. It will take into account the amount of time directors are expected to commit to board work and their legitimate expenses (e.g. travel). It must address director's roles, including their responsibilities, the complexity of their tasks, the environment in which the agency operates, the amount of risk involved and the public service element. Finally, the policy needs to be flexible, transparent and fiscally responsible.

While many agencies have made excellent efforts to be transparent in their remuneration policies and practices, this is not the case for all agencies. There should be uniform disclosure practices of director and CEO remuneration for all agencies. This will enhance both public confidence in the agency and effective government oversight of the agency.

Committees

All agencies should ensure that they have structures in place to promote oversight of the work of their organization, especially with regard to financial, risk, human resource and governance matters. For most agencies, this means that they should establish committees that support these oversight responsibilities.

Some agencies are very small, having minimal or no staff. In such circumstances, the achievement of effective oversight may be challenging. Having said that, the board of an agency of any size or complexity will be well served by an audit committee, as a minimum. The audit committee should be responsible for the oversight of financial controls, risk management and disclosure. Operating effectively, it will bring significant benefits to the agency. The audit committee should develop a strong working relationship with the external auditor, whether the Auditor General of Alberta or a private firm. Audit committee directors should be financially literate. All committee structures and responsibilities should be set out in terms of reference.

Committees:

Recommendation 14

Boards should establish appropriate committees that support their oversight responsibilities including, at a minimum, an audit committee.

Governance Principles

If there were one type of agency, then the design of governance processes would be much simpler. A structure could be put in place that would be repeated in each agency with clear expectations and reporting requirements, and that would be the end of the task. The reality is much different.

The Alberta experience shows quite clearly that one size does not fit all. However, after hearing from consultation participants, the Task Force concluded that even with about 250 agencies, there is a pressing need for agencies to be guided by the following principles of good governance:

1. **Strategic Vision and Leadership** – All parties have a clear understanding of the purpose of the agency and agree on the division of roles and responsibilities in support of organizational goals. The agency has effective leadership to implement its purpose and stays true to its mandate while adapting to changing circumstances.
2. **Accountability** – All parties take responsibility for their actions and operate in a transparent manner. Each person, from the minister to the board directors, understands their role and is accountable for fulfilling their duties. A clear chain of responsibility is integrated into the government's accountability structures and agencies are given those powers needed to deliver their mandate.
3. **Ethics** – All directors of the agency behave ethically and work to ensure that the organization as a whole behaves responsibly. As public sector organizations, agencies are committed to pursuing the public good.
4. **Effectiveness** – ministers and agencies participate in regular evaluative processes and consider innovations in order to improve performance. The organization has appropriate processes and sufficient authority to successfully achieve its objectives.
5. **Communications and Transparency** – There is clear communication with stakeholders, including opportunities for meaningful feedback. Sufficient information to understand and evaluate organizational processes, aims and actions is readily available. Balance is achieved between the broad mandate of the agencies, boards or commissions and the specific needs of the community.

Implementing the recommendations in this report will result in major progress toward these elements of good governance. While the scope of this report includes only the 248 agencies outlined in the inventory, the Task Force believes that the recommendations are of broader value and could be useful to all entities in the public sector. For the agencies that are within the scope of this report, the Task Force does not envision its recommendations as the pinnacle of good governance, but rather as one step in a culture of continuous improvement.

A Coordinated Approach

The Task Force believes an Agency Governance Secretariat will facilitate a coordinated approach to good agency governance across all of the Government of Alberta.



V: A Coordinated Approach

Adopting, implementing and supporting the recommendations in this report will require considerable effort on the part of the Government of Alberta. The Task Force believes that a coordinated provincial approach to agency governance would recognize the significance of the agency sector, help resolve many of the issues highlighted in this report and institutionalize good governance practices.

To facilitate good governance and ensure that all agencies have access to consistent leading governance tools and advice, the Task Force recommends the establishment of a permanent Agency Governance Secretariat in the government's Executive Council. The Secretariat should undertake, but not be limited to, the following roles:

- Maintaining an up-to-date inventory of provincial agencies
- Facilitating a competency-based appointment process, as recommended in this report
- Coordinating orientation, education and professional development of directors and relevant personnel of the Government of Alberta
- Leading the development of governance guidelines, tools and templates that assist the agencies and the Government of Alberta to better fulfil their roles and responsibilities
- Providing support for the processes to create, evaluate and dissolve provincial agencies
- Keeping abreast of emerging practices in governance and sharing these across ministries and agencies.

Agency Governance Secretariat:

Recommendation 15

The Government of Alberta should establish an Agency Governance Secretariat within Executive Council to provide coordination and operational support, and to promote continuous improvement in good governance

The Agency Governance Secretariat would assist in coordinating and facilitating rather than taking over responsibility for agencies from the individual ministries.

The Secretariat needs to be located and led in a way that promotes coordination, fosters a wide range of perspectives, and respects the role of the responsible minister. The Task Force recommends that the Secretariat be located within Executive Council. Its location at the centre of the provincial government will send a clear message about the importance of agencies, and will build on Executive Council's expertise.

The importance of agencies, their major financial implications and the current absence of dedicated government support for their operations leads the Task Force to recommend an Agency Governance Secretariat. Its establishment will substantially improve the governance and performance of Alberta's agencies.



Conclusion



VI: Conclusion

There are 248 agencies in Alberta, which account for about half of government expenditures. Each agency, by its nature, operates at some distance from regular departmental processes such as reporting and recruitment practices. This distance is often essential to success in the tasks an agency is doing, but it poses challenges in terms of accountability to the public and confidence in agency decisions and personnel. By institutionalizing best practices in agency governance – a task that could be largely accomplished through the *Alberta Public Agencies Governance Act* – the Government can ensure that the right structures and supports are in place to resolve these challenges.

The fifteen recommendations outlined in this report all aim to support good governance of agencies in Alberta. All of these are focused on three key findings:

1. The Government of Alberta needs to consider what role it wishes agencies to play in meeting public policy objectives and, where it has been determined that an agency is the appropriate model, whether the right structures are in place to encourage success.
2. Where agencies are in place, they need a clear mandate, unambiguous division of roles and responsibilities between the agency and the government, a degree of autonomy suitable to their work, and to be held accountable for how they exercise this autonomy.
3. Dedicated, competent people are essential to effective agencies. To these ends, the Government of Alberta should consistently use an appointment process that focuses on matching the competencies of appointees with the skills needed by the agency.

With 248 agencies, staying true to these key findings while implementing the recommendations in this report will be a challenging task. The overriding goal of transparency and accountability will only be within reach if the government takes a coordinated approach; establishing an Agency Governance Secretariat will bring consistency and coordination to the task.

In the course of its consultations, the Task Force encountered many directors, chairs and CEOs who were keenly interested in governance practices and who had themselves dedicated considerable effort to ensuring that their agencies were as well governed as possible. These dedicated people, along with ministers and

deputy ministers, expressed a desire for greater clarity in mandates and roles, improved communication and interaction with the government, and in well articulated government expectations. A timely response to this report, including implementation of the recommendations, will help agencies better meet their obligations and demonstrate the Government of Alberta's commitment to good governance.

In conclusion, the Task Force believes that these recommendations, implemented together, will improve the governance, accountability and transparency of Alberta's provincial agencies. In turn, Albertans will be better served by their provincial government.



Appendices



Appendix A Recommendations

- Recommendation 1** *Alberta Public Agencies Governance Act:* The Government of Alberta should recognize the importance of agencies by passing, as a priority, an Alberta Public Agencies Governance Act. Such an act will institutionalize a governance framework for agencies that provides clear agency mandates and a competence-based appointment process.
- Recommendation 2** *Agency Establishment Processes:* The Government of Alberta should establish a more rigorous process for the establishment of agencies, boards and commissions.
- Recommendation 3** *Agency Inventory:* The Government of Alberta should establish and maintain an Agency Inventory. The inventory should be reviewed regularly to ensure that agency mandates are relevant and that agencies continue to perform effectively the public function for which they were established.
- Recommendation 4** *Classification:* The Government of Alberta should adopt a functional classification system of agencies with five broad groups: regulatory/adjudicative agencies, public trusts, corporate enterprises, service delivery agencies and advisory agencies.
- Recommendation 5** *Roles and Responsibilities:* The Government of Alberta should ensure that the mandates, roles and responsibilities of the government and its agencies are clearly understood.
- Recommendation 6** *Government Representation on Boards:* The Government of Alberta should not appoint elected or senior government officials to the governing bodies of agencies.
- Recommendation 7** *Appointments:* The Government of Alberta should use a transparent, non-partisan and competence-based appointment process for the appointment of directors to agencies.
- Recommendation 8** *Diversity of Appointments:* The appointment to agencies process should recognize the diversity of Alberta's population and as a priority undertake active recruitment to this end.
- Recommendation 9** *Fixed Terms:* Agencies should have fixed terms of office for their directors which may be renewed based on performance to a maximum of ten consecutive years.

- Recommendation 10** *Orientation and Education:* The Government of Alberta should ensure that those involved in agency governance have access to high quality orientation and development programs. Such programs will emphasize the unique characteristics of effective agency governance in the public sector.
- Recommendation 11** *Code of Conduct and Ethics:* Each agency should have an appropriate code of conduct, including conflict of interest disclosure, for all directors. Directors should also ensure that there are appropriate codes of conduct, conflict of interest disclosure practices and safe disclosure practices for agency staff.
- Recommendation 12** *Evaluations:* In addition to overall agency evaluation, all agencies should carry out evaluations related to board and director performance.
- Recommendation 13** *Remuneration:* The Government of Alberta should establish an appropriate, fair and transparent remuneration policy, that attracts diverse and talented people. Remuneration of directors and CEOs should be disclosed to the public.
- Recommendation 14** *Committees:* Boards should establish appropriate committees that support their oversight responsibilities including, at a minimum, an audit committee.
- Recommendation 15** *Agency Governance Secretariat:* The Government of Alberta should establish an Agency Governance Secretariat within Executive Council to provide coordination and operational support, and to promote continuous improvement in good governance.

Appendix B Inventory

Based on extensive research and discussions with every Ministry, the Board Governance Review Task Force has compiled the following agency inventory, which contains 248 agencies.

Advisory Agencies	Responsible Ministry
Aboriginal Tourism Advisory Council	Tourism, Parks, Recreation and Culture
Access Advisory Council	Advanced Education and Technology
Alberta Advisory Committee on AIDS	Health and Wellness
Alberta Agricultural Research Institute	Advanced Education and Technology
Alberta Apprenticeship and Industry Training Board	Advanced Education and Technology
Alberta Council on Admissions and Transfer	Advanced Education and Technology
Alberta Expert Review Panel for Blood Borne Infections in Health Care Workers	Health and Wellness
Alberta Film Advisory Council	Tourism, Parks, Recreation and Culture
Alberta Forestry Research Institute	Advanced Education and Technology
Alberta Grain Commission	Agriculture and Food
Alberta Heritage Scholarship Act Committees	Advanced Education and Technology
Alberta Information and Communications Technology Institute	Advanced Education and Technology
Alberta Life Sciences (Research) Institute	Advanced Education and Technology
Alberta Order of Excellence Council	Executive Council
Alberta Palaeontological Advisory Committee	Tourism, Parks, Recreation and Culture
Alberta Recreation Corridors Coordinating Committee (will dissolve December 31, 2007)	Tourism, Parks, Recreation and Culture
Alberta Residential Tenancies Advisory Committee	Service Alberta
Alberta Science & Research Authority	Advanced Education and Technology
Alberta Sport, Recreation, Parks and Wildlife Advisory Committee	Tourism, Parks, Recreation and Culture
Ambulance Governance Advisory Committee	Health and Wellness
Blackfoot Confederacy Advisory Committee on Museum Relations	Tourism, Parks, Recreation and Culture
Campus Alberta Quality Council	Advanced Education and Technology
Crowsnest Pass Historical Corridor Advisory Committee	Tourism, Parks, Recreation and Culture
Drainage Council	Environment
Electrical Utilities Act Advisory Committee	Energy
Endangered Species Conservation Committee	Sustainable Resource Development
Environmental Protection Advisory Committee	Environment
Expert Committee on Drug Evaluation and Therapeutics	Health and Wellness
Eye Care Disciplines Advisory Committee	Health and Wellness
Family Justice Advisory Committee	Justice and Attorney General
Family Law Act Forms Committee	Justice and Attorney General

Family Law Rules Project Committee	Justice and Attorney General
Farmers' Advocate	Agriculture and Food
Fort George - Buckingham House Advisory Board	Tourism, Parks, Recreation and Culture
Hall of Fame Selection Committee	Agriculture and Food
Head-Smashed-In Buffalo Jump Interpretative Centre Advisory Committee	Tourism, Parks, Recreation and Culture
Health Professions Advisory Board	Health and Wellness
Human Rights, Citizenship and Multiculturalism Education Fund Advisory Committee	Tourism, Parks, Recreation and Culture
Kananaskis Improvement District Council	Tourism, Parks, Recreation and Culture
Land Agent Advisory Committee	Employment, Immigration and Industry
Minister's Advisory Committee on the Funding Framework	Education
MS Drug Review Panel	Health and Wellness
New School Construction Advisory Committee	Education
Northern Alberta Development Council	Employment, Immigration and Industry
Oil Sands Discovery Centre Advisory Committee	Tourism, Parks, Recreation and Culture
Policy Advisory Committee on Blood Services	Health and Wellness
Premier's Council on the Status of Persons with Disabilities	Seniors and Community Supports
Production Animal Medicine Advisory Committee	Agriculture and Food
Program and Assessment Advisory Committees	Education
Provincial Archives of Alberta Advisory Committee	Tourism, Parks, Recreation and Culture
Provincial Audit Committee	Treasury Board
Provincial Court Nominating Committee	Justice and Attorney General
Provincial Electronic Health Record Data Stewardship Committee	Health and Wellness
Remington - Alberta Carriage Centre Advisory Committee	Tourism, Parks, Recreation and Culture
Rules of Court Committee	Justice and Attorney General
Seniors Advisory Council for Alberta	Seniors and Community Supports
Small and Rural School Programming Advisory Committee	Education
Strategic Tourism Marketing Council	Tourism, Parks, Recreation and Culture
Student Financial Assistance Appeal Committees	Advanced Education and Technology
Students Finance Board	Advanced Education and Technology
Turner Valley Gas Plant Resolution Advisory Panel (will dissolve January 17, 2008)	Tourism, Parks, Recreation and Culture
Ukrainian Cultural Heritage Village Advisory Board	Tourism, Parks, Recreation and Culture
Utilities Consumer Advisory Council	Service Alberta
Victims of Crime Programs Committee	Solicitor General and Public Security
Victoria Settlement Advisory Committee	Tourism, Parks, Recreation and Culture

Corporate Enterprises

Agriculture Financial Services Corporation
Alberta Energy Research Institute
Alberta Gaming and Liquor Commission
Alberta Research Council
ATB Financial

Responsible Ministry

Agriculture and Food
Advanced Education and Technology
Solicitor General and Public Security
Advanced Education and Technology
Finance

Regulatory/Adjudicative Agencies

Acupuncture Board of Examiners
Acupuncture Committee
Alberta Agricultural Products Marketing Council
Alberta Aids to Daily Living and Extended Health Benefits Appeal Panels
Alberta Aids to Daily Living Citizens' Appeal Panel
Alberta Automobile Insurance Rate Board
Alberta Boilers Safety Association
Alberta Elevating Devices and Amusement Rides
Alberta Energy & Utilities Board
Alberta Funeral Services Regulatory Board
Alberta Health Facilities Review Committee
Alberta Human Rights and Citizenship Commission
Alberta Insurance Council
Alberta Motor Vehicle Industry Council
Alberta Professional Outfitters Society
Alberta Recycling Management Authority
Alberta Review Board
Alberta Securities Commission
Alberta Transportation Safety Board
Alberta Used Oil Management Association
Appeals Commission for Alberta Workers' Compensation
Apprenticeship and Industry Training Appeal Boards
Assured Income for the Severely Handicapped Act Appeal Panel
Attendance Board
Beverage Container Management Board
Board of Examiners (for Mines)
Board of Examiners (in Podiatry)
Board of Reference
Burial of the Dead Act Public Emergency Tribunal
Cemeteries Act Appeals Boards
Certification Appeal Committee and its panels
Child, Youth and Family Enhancement Appeal Panel
Civil Enforcement Act Appeal Panels

Responsible Ministry

Health and Wellness
Health and Wellness
Agriculture and Food
Seniors and Community Supports
Seniors and Community Supports
Finance
Municipal Affairs and Housing
Municipal Affairs and Housing
Energy
Service Alberta
Health and Wellness
Tourism, Parks, Recreation and Culture
Finance
Service Alberta
Sustainable Resource Development
Environment
Justice and Attorney General
Finance
Infrastructure and Transportation
Environment
Employment, Immigration and Industry
Advanced Education and Technology
Seniors and Community Supports
Education
Environment
Employment, Immigration and Industry
Health and Wellness
Education
Employment, Immigration and Industry
Service Alberta
Education
Children's Services
Justice and Attorney General

<i>Classification Appeal Board</i>	Service Alberta
Compensation Commission (2006 Provincial Court Judges')	Justice and Attorney General
Complainant Appeal Committee	Education
Complainant Review Committee	Education
Council on Alberta Teaching Standards	Education
Credit Union Deposit Guarantee Corporation	Finance
Criminal Injuries Review Board	Solicitor General and Public Security
<i>Dependent Adults Act</i> Appeal Panel	Seniors and Community Supports
<i>Employment Standards Code</i> Umpires	Employment, Immigration and Industry
Environment Appeals Board	Environment
<i>Fair Trading Act</i> Appeal Boards	Service Alberta
Family Support for Children with Disabilities Appeal Panel	Children's Services
Fatality Review Board	Justice and Attorney General
Freehold Mineral Rights Tax Appeal Board	Energy
<i>Funeral Services Act</i> Appeals Boards	Service Alberta
General Insurance Council	Finance
Health Disciplines Board	Health and Wellness
Health Quality Council of Alberta	Health and Wellness
Horse Racing Alberta	Solicitor General and Public Security
Hospital Privileges Appeal Board	Health
<i>Income and Employment Supports Act</i> Appeal Panels	Employment, Immigration and Industry
Independent System Operator (aka AESO)	Energy
Insurance Adjustors' Council	Finance
<i>Insurance Councils Regulation</i> Appeal Panels	Finance
Irrigation Council	Agriculture and Food
Joint First Aid Training Standards Board	Employment, Immigration and Industry
Labour Relations Board	Employment, Immigration and Industry
<i>Land Agents Licensing Act</i> Appeals Board	Employment, Immigration and Industry
Land Compensation Board	Sustainable Resource Development
Law Enforcement Review Board	Solicitor General and Public Security
Life Insurance Council	Finance
<i>Marketing of Agricultural Products Act</i> Appeal Tribunal	Agriculture and Food
Mental Health Review Panels	Health and Wellness
Métis Settlements Appeal Tribunal	International, Intergovernmental and Aboriginal Relations
Midwifery Health Disciplines Committee	Health and Wellness
Municipal Government Board	Municipal Affairs and Housing
Natural Resources Conservation Board	Sustainable Resource Development
Notaries Public Review Committee	Justice and Attorney General
Occupational Health and Safety Council	Employment, Immigration and Industry
Office of the Medical Panel Commissioner	Employment, Immigration and Industry
Orphan Well Program	Energy
Out-Of-Country Health Services Appeal Panel	Health and Wellness

Out-Of-Country Health Services Committee	Health and Wellness
Persons with Developmental Disabilities Appeal Panel	Seniors and Community Supports
Petroleum Tank Management Association of Alberta	Municipal Affairs and Housing
Practice Review Appeal Committee	Education
Practice Review Panel	Education
Professional Conduct Appeal Committee	Education
Professional Conduct Committee	Education
Public Health Appeal Board	Health and Wellness
Racing Appeals Tribunal	Solicitor General and Public Security
Real Estate Council of Alberta	Service Alberta
Safety Codes Council	Municipal Affairs and Housing
Seniors Benefit Act Appeal Panels	Seniors and Community Supports
Social Care Facilities Licensing Act Appeal Panels	Children's Services / Seniors and Community Supports /Municipal Affairs and Housing
Social Care Facilities Review Committee	Children's Services
Special Needs Tribunal	Education
Surface Rights Board	Sustainable Resource Development
Widow's Pension Act Appeal Panels	Employment, Immigration and Industry
Workers' Compensation Medical Panels	Employment, Immigration and Industry

Service Delivery Agencies

Responsible Ministry

Alberta Alcohol and Drug Abuse Commission	Health and Wellness
Alberta Cancer Board	Health and Wellness
Alberta Capital Finance Authority	Finance
Alberta Conservation Association	Sustainable Resource Development
Alberta Economic Development Authority	Employment, Immigration and Industry
Alberta Mental Health Board	Health and Wellness
Alberta Pensions Administration	Finance
Aspen Regional Health Authority	Health and Wellness
Board of Governors, Banff Centre for Continuing Education	Advanced Education and Technology
Board of Governors, Northern Alberta Institute of Technology	Advanced Education and Technology
Board of Governors, Southern Alberta Institute of Technology	Advanced Education and Technology
The Board of Governors of Alberta College of Art & Design	Advanced Education and Technology
The Board of Governors of Bow Valley College	Advanced Education and Technology
The Board of Governors of Grande Prairie Regional College	Advanced Education and Technology
The Board of Governors of Grant MacEwan College	Advanced Education and Technology
The Board of Governors of Keyano College	Advanced Education and Technology
The Board of Governors of Lakeland College	Advanced Education and Technology
The Board of Governors of Lethbridge College	Advanced Education and Technology

The Board of Governors of Medicine Hat College	Advanced Education and Technology
The Board of Governors of Mount Royal College	Advanced Education and Technology
The Board of Governors of NorQuest College	Advanced Education and Technology
The Board of Governors of Northern Lakes College	Advanced Education and Technology
The Board of Governors of Olds College	Advanced Education and Technology
The Board of Governors of Portage College	Advanced Education and Technology
The Board of Governors of Red Deer College	Advanced Education and Technology
Calgary Health Region	Health and Wellness
Capital Health	Health and Wellness
Child and Family Services Authority, Calgary Area	Children's Services
Child and Family Services Authority, Central Alberta	Children's Services
Child and Family Services Authority, East Central Alberta	Children's Services
Child and Family Services Authority, Edmonton and Area	Children's Services
Child and Family Services Authority, Métis	Children's Services
Child and Family Services Authority, North Central Alberta	Children's Services
Child and Family Services Authority, Northeast Alberta	Children's Services
Child and Family Services Authority, Northwest Alberta	Children's Services
Child and Family Services Authority, Southeast Alberta	Children's Services
Child and Family Services Authority, Southwest Alberta	Children's Services
China National Petroleum Corporation-Alberta Petroleum Centre	International, Intergovernmental and Aboriginal Relations
Chinook Regional Health Authority	Health and Wellness
Credit Counselling Services of Alberta	Service Alberta
David Thompson Regional Health Authority	Health and Wellness
Debtors' Assistance Board	Service Alberta
East Central Health	Health and Wellness
Forest Resource Improvement Association	Sustainable Resource Development
Management Bodies Boards	Municipal Affairs and Housing (+Seniors and Community Supports)
Mental Health Patient Advocate	Health and Wellness
Northern Lights Health Region	Health and Wellness
Palliser Health Region	Health and Wellness
Peace Country Health	Health and Wellness
Persons with Developmental Disabilities Community Board, Calgary Region	Seniors and Community Supports
Persons with Developmental Disabilities Community Board, Central Region	Seniors and Community Supports
Persons with Developmental Disabilities Community Board, Edmonton Region	Seniors and Community Supports

Persons with Developmental Disabilities
Community Board, Northeast Region
Persons with Developmental Disabilities
Community Board, Northwest Region
Persons with Developmental Disabilities
Community Board, South Region
Physician Resource Planning Committee
Premier's Council on Alberta's Promise
Special Areas Board
The Athabasca University Governing Council
The Governors of the University of Lethbridge
The Governors of University of Alberta
The Governors of University of Calgary
Workers' Compensation Board
Youth Justice Committees

Seniors and Community Supports
Seniors and Community Supports
Seniors and Community Supports
Health and Wellness
Children's Services
Municipal Affairs and Housing
Advanced Education and Technology
Advanced Education and Technology
Advanced Education and Technology
Advanced Education and Technology
Employment, Immigration and Industry
Solicitor General and Public Security

Public Trusts

Alberta Foundation for Health Research
Alberta Foundation for the Arts
Alberta Heritage Foundation for Medical Research
Alberta Heritage Foundation for Science &
Engineering Research (aka Alberta Ingenuity)
Alberta Historical Resources Foundation
Alberta Investment Management Corporation
Alberta Social Housing Corporation

Alberta Sport, Recreation, Parks and Wildlife
Foundation
Alberta Teachers' Retirement Fund (aka Teachers'
Pension Plan)
Balancing Pool
Government House Foundation
iCORE
Local Authorities Pension Plan Board/Corporation
Management Employees Pension Plan Board
Provincial Judges and Masters in Chambers Pension
Plan Advisory Committee
Public Service Pension Plan Board
Reynolds - Alberta Museum Advisory Board
Special Forces Pension Plan Board
Supplementary Retirement Plan for Public Service
Managers Advisory Committee
Wheat Board Money Trust Board of Trustees
Wild Rose Foundation

Responsible Ministry

Advanced Education and Technology
Tourism, Parks, Recreation and Culture
Advanced Education and Technology
Advanced Education and Technology

Tourism, Parks, Recreation and Culture
Finance
Municipal Affairs and Housing (+Seniors and
Community Supports)
Tourism, Parks, Recreation and Culture

Education

Energy
Tourism, Parks, Recreation and Culture
Advanced Education and Technology
Finance
Finance
Finance
Finance
Tourism, Parks, Recreation and Culture
Finance
Finance

Agriculture and Food
Tourism, Parks, Recreation and Culture



Appendix C

Consultations

The following is a list of the groups that participated in the consultations, either through in person meetings or written submissions.

Agencies

Agriculture Financial Services Corporation
Alberta Agricultural Products Marketing Council
Alberta Alcohol and Drug Abuse Commission
Alberta Apprenticeship and Industry Training Board
Alberta Automobile Insurance Rate Board
Alberta Automobile Insurance Rate Board
Alberta Cancer Board
Alberta Capital Finance Authority
Alberta Council on Admissions and Transfers
Alberta Economic Development Authority
Alberta Electrical System Operators
Alberta Energy & Utilities Board
Alberta Energy Research Institute
Alberta Funeral Services Regulatory Board
Alberta Gaming and Liquor Commission
Alberta Grain Commission
Alberta Heritage Foundation for Medical Research
Alberta Heritage Foundation for Science & Engineering Research
Alberta Historical Resources Foundation
Alberta Human Rights and Citizenship Commission
Alberta Information and Communications Technology Institute
Alberta Mental Health Board
Alberta Motor Vehicle Industry Council
Alberta Order of Excellence Council
Alberta Pensions Administrations
Alberta Research Council
Alberta Review Board
Alberta Science & Research Authority
Alberta Securities Commission
Alberta Sport, Recreation, Parks and Wildlife Foundation
Alberta Teacher's Retirement Fund
Alberta Water Council
Appeals Commission for Alberta Workers' Compensation
Aspen Regional Health Authority
Assembly of Co-Chairs of Child and Family Service Authorities
ATB Financial
Athabasca University Governing Council

Balancing Pool
 Banff Centre for Continuing Education Board of Governors
 Bethany Group
 Beverage Container Management Board
 Board of Governors of the University of Lethbridge
 Board of Governors of Alberta College of Art & Design
 Board of Governors of Bow Valley College
 Board of Governors of Grant MacEwan College
 Board of Governors of Lakeland College
 Board of Governors of Lethbridge College
 Board of Governors of Medicine Hat College
 Board of Governors of Mount Royal College
 Board of Governors of NorQuest College
 Board of Governors of Northern Lakes College
 Board of Governors of Olds College
 Board of Governors of Red Deer College
 Board of Governors, Southern Alberta Institute of Technology
 Board of Reference
 Calgary Health Region
 Campus Alberta Quality Council
 Capital Health
 Child and Family Service Authority Board, Calgary and Area
 Child and Family Service Authority Board, Central Alberta
 Child and Family Service Authority Board, East Central Alberta
 Child and Family Service Authority Board, Edmonton and Area
 Child and Family Service Authority Board, Métis
 Child and Family Service Authority Board, North Central Alberta
 Child and Family Service Authority Board, Northeast Alberta
 Child and Family Service Authority Board, Northwest Alberta
 Child and Family Service Authority Board, Southeast Alberta
 Child and Family Service Authority Board, Southwest Alberta
 Child Youth and Family Enhancement Appeal Panel
 Chinook Regional Health Authority
 Credit Union Deposit Guarantee Corporation
 Criminal Injuries Review Board
 David Thompson Regional Health Authority
 East Central Health
 Environment Appeals Board
 Family Support for Children with Disabilities Appeal Panel
 Farmers' Advocate
 General Insurance Council
 The Governors of the University of Alberta
 The Governors of the University of Calgary
 Health Disciplines Board

Health Professions Advisory Board
Health Quality Council of Alberta
Insurance Adjustors' Council
Irrigation Council
Labour Relations Board
Land Compensation Board
Law Enforcement Review Board
Life Insurance Council
Local Authorities Pension Plan Board
Local Authorities Pension Plan Corporation
Management Employees Pension Board
Métis Settlements Appeal Tribunal
Municipal Government Board
Natural Resources Conservation Board
Northern Lights Health Region
Occupational Health and Safety Council
Palliser Health Region
Peace Country Health
Persons with Developmental Disabilities Community Board, Calgary Region
Persons with Developmental Disabilities Community Board, Central Alberta
Persons with Developmental Disabilities Community Board, South Alberta
Premier's Council on Alberta's Promise
Premier's Council on the Status of Persons with Disabilities
Public Health Appeal Board
Public Service Pension Plan Board
Real Estate Council of Alberta
Safety Codes Council
Seniors Advisory Council for Alberta
Special Forces Pension Plan Board
Students Finance Board
Surface Rights Board
Wild Rose Foundation
Workers' Compensation Board

Government of Alberta Ministries

Advanced Education and Technology
Agriculture and Food
Children's Services
Education
Employment, Immigration and Industry
Energy
Environment
Executive Council
Finance

Health and Wellness
Infrastructure and Transportation
International, Intergovernmental and Aboriginal Relations
Justice and Attorney General
Municipal Affairs and Housing
Seniors and Community Supports
Service Alberta
Solicitor General and Public Security
Sustainable Resource Development
Tourism, Parks, Recreation and Culture
Treasury Board

Officers of the Alberta Legislature

Ethics Commissioner
Auditor General
Ombudsman
Privacy Commissioner

Members of the Alberta Legislature

Cabinet
Leader of the Liberal Party
Leader of the New Democrats
Leader of the Alberta Alliance Party

Other Governments

Government of British Columbia
Government of Ontario
Government of Quebec
Auditor General of Canada

Appendix D

Overview of Provincial and Territorial Work on Board Governance in Canada

As agency governance is a challenge facing all Canadian provinces and territories, the Task Force reviewed the work and experiences of other jurisdictions in coming to its conclusions. A brief summary of their approaches is outlined below.

British Columbia

There are two central offices supporting agency governance in BC, both established in 2001. The *Board Resourcing and Development Office* focuses on appointments to boards, while the Crown Agencies Secretariat provides broad governance support and strategic oversight. There is also a *Select Standing Committee on Crown Corporations* in the legislature which reviews agency annual reports and service plans, and which may also conduct more detailed investigations. Key documents include:

- *The Shareholder's Expectations Manual for British Columbia Crown Agencies (2006)*
- *Governance and Disclosure Guidelines for Governing Boards of British Columbia Public Sector Organizations (2005)*

Alberta

Alberta does not currently have a central office dedicated to supporting agencies. Governance is focused on the minister -agency relationship, and ministry annual reports include selected crown corporations. Key documents include:

- *Corporate Human Resources Directive on Recruitment to Agencies, Boards and Commissions (2006)*
- *Review of Agencies, Boards and Commissions and Delegated Administrative Organisations (2001 Renner Report)*

Saskatchewan

Saskatchewan's Crown Investments Corporation (CIC) is a holding company for eleven major government enterprises. It was established in its current form in 1978, although the approach has been used since the 1940s. There is no central oversight of non-CIC agencies. Key documents include:

- CIC's policies and reports, as listed at www.cicorp.sk.ca

Manitoba

In Manitoba, the Crown Corporations Council was established in 1989 to work with seven key commercial agencies to ensure good governance and sound accountability mechanisms. It works with each agency individually rather than develop broad guidelines. A standing committee of the Legislature also provides oversight for some of these agencies. Appointment to all agencies, including the ones working with the Council, occurs through Cabinet. Key documents include:

- *Auditor General Study of Crown Organizations* (1999)
- *Crown Corporations Public Review and Accountability Act* (1989). Applies to seven key commercial agencies

Ontario

Central support for Ontario's agencies is provided through two offices within the Ministry of Government Services. The Management Board Secretariat focuses on leading practices in governance while the Public Appointments Secretariat deals with appointments. Further oversight is provided through the Legislature's Standing Committee on Government Agencies. Key documents include:

- *Agency Establishment and Accountability Directive* (2000)
- *Government Appointees Directive and Addendum* (2006)

Quebec

While there is no dedicated central office that supports agency governance in Quebec, there is a policy statement and an Act that address the governance of the province's major agencies. Both the Minister of Finance and the Executive Council provide support to ministries and agencies on certain implementation matters such as audits, remuneration and appointments. Agency annual reports are tabled in the National Assembly, and various legislative committees may interview and review different agencies. Key documents include:

- *Modernizing the Governance of Government Corporations* (2006)
- *Act Respecting the Governance of State-Owned Enterprises* (2006)
- *Public Administration Act* (2000)

New Brunswick

New Brunswick does not currently have a central office that supports agency governance, but Executive Council is developing a government-wide policy to guide good governance and appointment practices. The province has, since 1985, used a Standing Committee on Crown Corporations in the legislature that reviews annual reports and financial statements of select agencies. Key documents include:

- *An Accountable and Responsible Government: The Government's Response to the Final Report of Commission on Legislative Democracy* (2007)
- *Report of the Commission on Legislative Democracy* (2004)

Nova Scotia

In Nova Scotia, central support is provided by Treasury and Policy Board, with a focus on developing corporate policy, disseminating best practices, providing educational tools and coordinating the appointment process. Key documents include:

- *Governing in the Public Sector: A Guide for Province of Nova Scotia Government Agencies* (2007)
- *Personal Services Contract Policy* (2006)
- *Provincial Finance Act*

Prince Edward Island

There is no central agency governance function in PEI, but the Annual Reports of crown corporations are tabled in Legislature, and legislative committees can focus on Crown Corporations.

Newfoundland and Labrador

In 2005, Newfoundland and Labrador established a Transparency and Accountability Office to support good governance of its agencies. Key documents include:

- *Transparency and Accountability Act*. Passed 2004, to be proclaimed before 2008 to allow a transition period. Applies to 155 "public bodies"
- *Excellence in Governance: A Handbook for Public Sector Bodies* (2005)
- *Achieving Excellence 2006: A Guidebook for the Improved Accountability of Government Entities* (2006)

Yukon

The Yukon does not use a central office to promote good agency governance; instead, relationships are managed through the responsible Ministries. Key documents include:

- *Corporate Governance Act* (2002). Applies to three of the six large agencies

Northwest Territories

In the NWT, Executive Council provides support, approves board creation and/or changes, and oversees a governance framework for boards. Key documents include:

- *Policy Statement on Boards* (2005)

Nunavut

Nunavut's Crown Agency Council was established in 2003 to advise Cabinet on agency governance issues, and is composed of senior Cabinet ministers and supported by deputy ministers and officials from the Department of Finance. Key documents include:

- Standing Committee on Government Operations and Accountability's *Report on the Review of the 2005 Report of the Auditor General of Canada to the Legislative Assembly of Nunavut* (June 2006)

Appendix E

Terms of Reference

BOARD GOVERNANCE REVIEW TASK FORCE

TERMS OF REFERENCE

The Board Governance Review Task Force is established to make recommendations on policies, procedures and best practices on board governance. Details of the review are outlined as follows:

- The review will include all of the significant agencies, boards and commissions that have a service delivery or regulatory function.
- The review will not examine boards that have an advisory function.
- The review will lead to a report that makes recommendations on policies, procedures and best practices on board governance. The recommendations will focus on how the government can improve governance, accountability and transparency of its agencies, boards and commissions.
- The review will also explore whether on-going resources are required to implement the recommendations.

The Task Force will complete the following:

- Undertake an inventory of existing agencies, boards and commissions, and related accountability mechanisms to identify board governance issues.
- Develop a consultation paper that identifies board governance issues.
- Undertake consultation with stakeholders.
- Complete a final report to be delivered to the Premier by September 30, 2007.

Term of the Task Force:

- The Task Force will be set up for a maximum of one-year.



Appendix F

Excerpt from News Release

(The following pages are excerpted from the Government of Alberta news release announcing the Board Governance Review Task Force)

Task force to examine government agencies, boards and commissions

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Media enquiries may be directed to:

Tom Olsen
Office of the Premier
(780) 422-4905

To call toll-free within Alberta dial 310-0000.

Background

Governing with integrity and transparency

March 15, 2007

Members of the governance review task force

Neil McCrank (Chair)

Neil McCrank is the outgoing Chairman of the Alberta Energy and Utilities Board (EUB). He was first appointed as Chairman in July 1998, responsible for directing and coordinating the EUB's regulatory mandate governing energy resource development and utility matters in Alberta.

After coming to Alberta in 1979 to work with the Alberta Attorney General, he served as a Special Prosecutor, Assistant Deputy Minister for the Criminal Justice Division, Deputy Attorney General, and Deputy Minister for the Alberta Department of Justice until his appointment to the EUB. Prior to his public service career in Alberta, Mr. McCrank worked with the Province of Ontario and spent several years with a private law firm in Toronto.

A native of Val d'Or, Quebec, Mr. McCrank received his Bachelor of Science in Electrical Engineering from Queen's University in Kingston, Ontario. In 1969, he graduated with an LL.B. from Queen's and was admitted to the Bar in 1971. He is a member of the Law Society of Alberta, the Law Society of Upper Canada, the Canadian and Calgary Bar Associations, and the Association of Professional Engineers, Geologists and Geophysicists of Alberta. Mr. McCrank has served on numerous national commissions, steering committees, task forces, and review panels related to emerging legal issues.

Mr. McCrank is an active community volunteer and is currently serving as Vice-Chairman of the World Petroleum Congresses Canadian Association, Chairman of the Canadian Energy Research Institute, member of the Institute for Sustainable Energy, Environment and Economy Leadership Board at the University of Calgary, Executive Member of the Van Horne Institute, Board Member of Catholic Charities, and Board Member of the Calgary YMCA.

Linda Hohol

Linda Hohol is President, TSX Venture Exchange, leading the day-to-day operation of Canada's public venture capital marketplace - a marketplace that provides emerging companies with access to capital while offering investors a quality market in which to make venture investments. Ms. Hohol will be retiring from this position on April 30, 2007.

Until 1999, Ms. Hohol was Executive Vice-President, Wealth Management with CIBC, responsible for all wealth management activities, investment performance and product development. She also worked with the President to restructure CIBC's Wealth Management Division to support new strategic direction.

<http://www.gov.ab.ca/acn/200703/21185561BC02C-0EAE-BE64-A3FFA1FDC754CA33.html>

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Ms. Hohol is active on a number of boards, including serving as a Director of the Calgary Airport Authority, a Director of ATB Financial, and a Director of the Canadian Foundation for Innovation. She has also been Chair of the Banff Centre for Management Advisory Committee, a Director of the Canadian Chamber of Commerce, a member of AESO Council and a Director of Calgary Olympic Development Association.

Ms. Hohol is a graduate of the Executive Development Program of the Kellogg Business School, and has completed courses at the MIT Sloan School of Management and the International Banking Summer School in Oiso, Japan. Linda is also a Fellow of the Institute of Canadian Bankers.

Allan Tupper

Allan Tupper is Professor of Political Science at the University of British Columbia. A native of Ottawa, Dr. Tupper is a graduate of Carleton University (BA, DPA, MA) and Queen's University where he received his PhD in Political Studies in 1977.

For more than 20 years, he was Professor of Political Science at the University of Alberta. He served as Chair of the Department of Political Science, Associate Dean of Arts and Associate Vice President (Government Relations). He was also Vice President (Academic) at Acadia University. His major teaching and research interests are Canadian politics, western Canadian politics, public policy and public administration. He has published extensively on these topics and has authored or edited six books and many articles and chapters. Dr. Tupper is Editor-in-Chief of Canadian Public Administration, the internationally-known journal of the Institute of Public Administration of Canada. In 2003, he was appointed Senior Academic Fellow of the Canadian Centre for Management Development.

Dr. Tupper was Co-chair of the Advisory Committee on National Affairs to Hon. Ralph Klein, former Premier of Alberta. He also chaired a major review of Alberta's conflicts of interest legislation that called for major changes. Among many other activities, he was a member of the Canadian delegation to the United Nations Election Monitoring Mission during the historic 1994 general elections in South Africa. He is actively involved in national professional associations, and has served on the boards of the Canadian Political Science Association and the Institute of Public Administration of Canada. He has extensive experience in government relations, media relations and university-community partnerships.

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Media enquiries may be directed to:

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(780) 422-4905

To call toll-free within Alberta dial 310-0000.

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Appendix G

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